

AMENDED IN ASSEMBLY APRIL 22, 2013

CALIFORNIA LEGISLATURE—2013–14 REGULAR SESSION

ASSEMBLY BILL

No. 1021

Introduced by Assembly Member Eggman

February 22, 2013

An act to amend Section 26003 of the Public Resources Code, relating to alternative energy.

LEGISLATIVE COUNSEL’S DIGEST

AB 1021, as amended, Eggman. Alternative energy: recycled feedstock.

Existing law establishes the California Alternative Energy and Advanced Transportation Financing Authority to provide financial assistance for projects that promote the use of alternative energies. *Existing law authorizes the authority to approve a project for financial assistance in the form of the sales and use tax exclusion.*

This bill would ~~authorize the authority to provide financial assistance to expand projects eligible for the sales and use tax exclusion to include~~ projects that process or utilize recycled feedstock, *as defined, that is intended to be reused in the production of another product or soil amendment.*

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 26003 of the Public Resources Code, as
- 2 amended by Section 5 of Chapter 677 of the Statutes of 2012, is
- 3 amended to read:

1 26003. (a) As used in this division, unless the context
2 otherwise requires:

3 (1) (A) “Advanced manufacturing” means manufacturing
4 processes that improve existing, or create entirely new materials,
5 products, and processes through the use of science, engineering,
6 or information technologies, high-precision tools and methods, a
7 high-performance workforce, and innovative business or
8 organizational models utilizing any of the following technology
9 areas:

10 (i) Micro- and nanoelectronics, including semiconductors.

11 (ii) Advanced materials.

12 (iii) Integrated computational materials engineering.

13 (iv) Nanotechnology.

14 (v) Additive manufacturing.

15 (vi) Industrial biotechnology.

16 (B) “Advanced manufacturing” includes all of the following:

17 (i) Systems that result from substantive advancement, whether
18 incremental or breakthrough, beyond the current industry standard,
19 in the production of materials and products. These advancements
20 include improvements in manufacturing processes and systems
21 that are often referred to as “smart” or “intelligent” manufacturing
22 systems, which integrate computational predictability and
23 operational efficiency.

24 (ii) (I) Sustainable manufacturing systems and manufacturing
25 technologies that minimize the use of resources while maintaining
26 or improving cost and performance.

27 (II) Sustainable manufacturing systems and manufacturing
28 technologies do not include those required to be undertaken
29 pursuant to state or federal law or regulations, air district rules or
30 regulations, memoranda of understanding with a governmental
31 entity, or legally binding agreements or documents. The State Air
32 Resources Board shall advise the authority to ensure that the
33 requirements of this clause are met.

34 (2) (A) “Advanced transportation technologies” means
35 emerging commercially competitive transportation-related
36 technologies identified by the authority as capable of creating
37 long-term, high value-added jobs for Californians while enhancing
38 the state’s commitment to energy conservation, pollution and
39 greenhouse gas emissions reduction, and transportation efficiency.

1 (B) “Advanced transportation technologies” does not include
2 those projects required to be undertaken pursuant to state or federal
3 law or regulations, air district rules or regulations, memoranda of
4 understanding with a governmental entity, or legally binding
5 agreements or documents. The State Air Resources Board shall
6 advise the authority regarding projects that are excluded pursuant
7 to this subparagraph.

8 (3) (A) “Alternative sources” means devices or technologies
9 used for a renewable electrical generation facility, as defined in
10 paragraph (1) of subdivision (a) of Section 25741, a combined
11 heat and power system, as defined in Section 2840.2 of the Public
12 Utilities Code, distributed generation and energy storage
13 technologies eligible under the self-generation incentive program
14 pursuant to Section 379.6 of the Public Utilities Code, as
15 determined by the Public Utilities Commission, or a facility
16 designed for the production of renewable fuels, the efficient use
17 of which reduce the use of fossil or nuclear fuels, and energy
18 efficiency devices or technologies that reduce the need for new
19 electric generation and reduce emissions of toxic and criteria
20 pollutants and greenhouse gases.

21 (B) “Alternative sources” does not include a hydroelectric
22 facility that does not meet state laws pertaining to the control,
23 appropriation, use, and distribution of water, including, but not
24 limited to, the obtaining of applicable licenses and permits.

25 (4) “Authority” means the California Alternative Energy and
26 Advanced Transportation Financing Authority established pursuant
27 to Section 26004, and any board, commission, department, or
28 officer succeeding to the functions of the authority, or to which
29 the powers conferred upon the authority by this division shall be
30 given.

31 (5) “Cost” as applied to a project or portion of the project
32 financed under this division means all or part of the cost of
33 construction and acquisition of all lands, structures, real or personal
34 property or an interest in the real or personal property, rights,
35 rights-of-way, franchises, easements, and interests acquired or
36 used for a project; the cost of demolishing or removing any
37 buildings or structures on land so acquired, including the cost of
38 acquiring any lands to which those buildings or structures may be
39 moved; the cost of all machinery, equipment, and furnishings,
40 financing charges, interest prior to, during, and for a period after,

1 completion of construction as determined by the authority;
2 provisions for working capital; reserves for principal and interest
3 and for extensions, enlargements, additions, replacements,
4 renovations, and improvements; the cost of architectural,
5 engineering, financial, accounting, auditing and legal services,
6 plans, specifications, estimates, administrative expenses, and other
7 expenses necessary or incident to determining the feasibility of
8 constructing any project or incident to the construction, acquisition,
9 or financing of a project.

10 (6) “Financial assistance” includes, but is not limited to, loans,
11 loan loss reserves, interest rate reductions, proceeds of bonds issued
12 by the authority, bond insurance, loan guarantees or other credit
13 enhancements or liquidity facilities, contributions of money, or a
14 combination thereof, as determined by, and approved by the
15 resolution of, the board.

16 (7) (A) “Participating party” means a person, federal or state
17 agency, department, board, authority, or commission, state or
18 community college, or university, or a city or county, regional
19 agency, public district, school district, or other political entity
20 engaged in the business or operations in the state, whether
21 organized for profit or not for profit, that applies for financial
22 assistance from the authority for the purpose of implementing a
23 project.

24 (B) For the purposes of Section 6010.8 of the Revenue and
25 Taxation Code, “participating party” means an entity specified in
26 subparagraph (A) that seeks financial assistance pursuant to Section
27 26011.8.

28 (8) (A) “Project” means a land, building, improvement to the
29 land or building, rehabilitation, work, property, or structure, real
30 or personal, stationary or mobile, including, but not limited to,
31 machinery and equipment, whether or not in existence or under
32 construction, that utilizes, or is designed to utilize, an alternative
33 source, or that is utilized for the design, technology transfer,
34 manufacture, production, assembly, distribution, or service of
35 advanced transportation technologies or alternative source
36 components, ~~or that processes or utilizes recycled feedstock.~~

37 (B) “Project,” for the purposes of Section 26011.8 and Section
38 6010.8 of the Revenue and Taxation Code, means any tangible
39 personal property *that processes or utilizes recycled feedstock*
40 *that is intended to be reused in the production of another product*

1 *or soil amendment, or that is utilized for the design, manufacture,*
2 *production, or assembly of advanced manufacturing, advanced*
3 *transportation technologies, or alternative source products,*
4 *components, or systems, or that processes or utilizes recycled*
5 *feedstock. system.*

6 (9) *“Recycled feedstock” means material that would otherwise*
7 *be destined for disposal, having completed its intended end use*
8 *and product lifecycle, that is intended to be reused in the*
9 *production of another product or soil amendment.*

10 (9)
11 (10) “Revenue” means all rents, receipts, purchase payments,
12 loan repayments, and all other income or receipts derived by the
13 authority from a project, or the sale, lease, or other disposition of
14 alternative source or advanced transportation technology facilities,
15 or the making of loans to finance alternative source or advanced
16 transportation technology facilities, and any income or revenue
17 derived from the investment of money in any fund or account of
18 the authority.

19 (b) This section shall become inoperative on July 1, 2016, and,
20 as of January 1, 2017, is repealed, unless a later enacted statute,
21 that becomes operative on or before January 1, 2017, deletes or
22 extends the dates on which it becomes inoperative and is repealed.

23 SEC. 2. Section 26003 of the Public Resources Code, as added
24 by Section 6 of Chapter 677 of the Statutes of 2012, is amended
25 to read:

26 26003. (a) As used in this division, unless the context
27 otherwise requires:

28 (1) (A) “Advanced transportation technologies” means
29 emerging commercially competitive transportation-related
30 technologies identified by the authority as capable of creating
31 long-term, high value-added jobs for Californians while enhancing
32 the state’s commitment to energy conservation, pollution and
33 greenhouse gas emissions reduction, and transportation efficiency.

34 (B) “Advanced transportation technologies” does not include
35 those projects required to be undertaken pursuant to state or federal
36 law or regulations, air district rules or regulations, memoranda of
37 understanding with a governmental entity, or legally binding
38 agreements or documents. The State Air Resources Board shall
39 advise the authority regarding projects that are excluded pursuant
40 to this subparagraph.

(2) (A) “Alternative sources” means devices or technologies used for a renewable electrical generation facility, as defined in paragraph (1) of subdivision (a) of Section 25741, a combined heat and power system, as defined in Section 2840.2 of the Public Utilities Code, distributed generation and energy storage technologies eligible under the self-generation incentive program pursuant to Section 379.6 of the Public Utilities Code, as determined by the Public Utilities Commission, or a facility designed for the production of renewable fuels, the efficient use of which reduce the use of fossil or nuclear fuels, and energy efficiency devices or technologies that reduce the need for new electric generation and reduce emissions of toxic and criteria pollutants and greenhouse gases.

(B) “Alternative sources” does not include a hydroelectric facility that does not meet state laws pertaining to the control, appropriation, use, and distribution of water, including, but not limited to, the obtaining of applicable licenses and permits.

(3) “Authority” means the California Alternative Energy and Advanced Transportation Financing Authority established pursuant to Section 26004, and any board, commission, department, or officer succeeding to the functions of the authority, or to which the powers conferred upon the authority by this division shall be given.

(4) “Cost” as applied to a project or portion of the project financed under this division means all or part of the cost of construction and acquisition of all lands, structures, real or personal property or an interest in the real or personal property, rights, rights-of-way, franchises, easements, and interests acquired or used for a project; the cost of demolishing or removing any buildings or structures on land so acquired, including the cost of acquiring any lands to which those buildings or structures may be moved; the cost of all machinery, equipment, and furnishings, financing charges, interest prior to, during, and for a period after, completion of construction as determined by the authority; provisions for working capital; reserves for principal and interest and for extensions, enlargements, additions, replacements, renovations, and improvements; the cost of architectural, engineering, financial, accounting, auditing and legal services, plans, specifications, estimates, administrative expenses, and other expenses necessary or incident to determining the feasibility of

1 constructing any project or incident to the construction, acquisition,
2 or financing of a project.

3 (5) “Financial assistance” includes, but is not limited to, loans,
4 loan loss reserves, interest rate reductions, proceeds of bonds issued
5 by the authority, bond insurance, loan guarantees or other credit
6 enhancements or liquidity facilities, contributions of money, or a
7 combination thereof, as determined by, and approved by the
8 resolution of, the board.

9 (6) (A) “Participating party” means a person, federal or state
10 agency, department, board, authority, or commission, state or
11 community college, or university, or a city or county, regional
12 agency, public district, school district, or other political entity
13 engaged in the business or operations in the state, whether
14 organized for profit or not for profit, that applies for financial
15 assistance from the authority for the purpose of implementing a
16 project.

17 (B) For the purposes of Section 6010.8 of the Revenue and
18 Taxation Code, “participating party” means an entity specified in
19 subparagraph (A) that seeks financial assistance pursuant to Section
20 26011.8.

21 (7) (A) “Project” means a land, building, improvement to the
22 land or building, rehabilitation, work, property, or structure, real
23 or personal, stationary or mobile, including, but not limited to,
24 machinery and equipment, whether or not in existence or under
25 construction, that utilizes, or is designed to utilize, an alternative
26 source, or that is utilized for the design, technology transfer,
27 manufacture, production, assembly, distribution, or service of
28 advanced transportation technologies or alternative source
29 components, ~~or that processes or utilizes recycled feedstock.~~

30 (B) “Project,” for the purposes of Section 26011.8 and Section
31 6010.8 of the Revenue and Taxation Code, means any tangible
32 personal property *that processes or utilizes recycled feedstock*
33 *that is intended to be reused in the production of another product*
34 *or soil amendment, or that is utilized for the design, manufacture,*
35 *production, or assembly of advanced transportation technologies*
36 *or alternative source products, components, or systems, or that*
37 *processes or utilizes recycled feedstock.*

38 (8) “Recycled feedstock” means material that would otherwise
39 be destined for disposal, having completed its intended end use

1 *and product lifecycle, that is intended to be reused in the*
2 *production of another product or soil amendment.*

3 ~~(8)~~

4 (9) “Revenue” means all rents, receipts, purchase payments,
5 loan repayments, and all other income or receipts derived by the
6 authority from a project, or the sale, lease, or other disposition of
7 alternative source or advanced transportation technology facilities,
8 or the making of loans to finance alternative source or advanced
9 transportation technology facilities, and any income or revenue
10 derived from the investment of money in any fund or account of
11 the authority.

12 (b) This section shall become operative on July 1, 2016.